



Adverse Credit Policy

1. Purpose and scope

This policy applies to every allocation of a shared ownership home to a prospective customer and ensures that Selwood Housing allocates shared ownership properties fairly.

We will ensure all prospective customers are aware of our policy approach when offering them a shared ownership home and that they are aware of the process prior to them incurring any costs.

2. Underpinning principles

This policy ensures that applications for shared ownership homes are assessed fairly and consistently.

3. Policy details

Selwood Housing wants to ensure that when making an offer for a shared ownership home that it is affordable and sustainable for customers.

All applications are assessed by a suitably qualified and experienced advisor who is regulated to give mortgage advice and they are aware of Selwood Housings policy regarding adverse credit.

Table 1 sets out examples of adverse credit events and what impact it could have on your assessment. Please note this list is not exhaustive.

Table 1

Adverse event	Impact on assessment
Missed mortgage/rent arrears	If this has happened in the last 12 months, it won't usually be accepted. That said, we may consider the situation through an Individual Assessment.
Unsecured arrears	We'll carry out an Individual Assessment.



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Adverse event	Impact on assessment
County Court Judgments or registered defaults	<p>None in the last 36 months. Plus, they must be satisfied prior to the mortgage application.</p> <p>They may be acceptable in the following situations:</p> <ul style="list-style-type: none">• All CCJs/defaults were registered more than three years ago and satisfied prior to mortgage application.• All CCJs/defaults were satisfied more than 12 months prior to application regardless of date of registration.• The CCJs/defaults in aggregate amount to less than £300, regardless of date of registration, and were satisfied prior to mortgage application.
Individual voluntary arrangement (IVA) and discharged bankrupts	IVA/bankrupts who have been discharged over three years ago and who have no residual debt may be accepted subject to Individual Assessment.
Repossessions	Not acceptable.

From time to time there will be customers who will have experienced circumstances beyond their control, Selwood Housing will consider such instances on an individual basis.

4. Signposting

The following documents are to be read in conjunction with this policy:

Homes England Capital Funding Guide

Selwood Housing shared ownership policy

Staff buying shared ownership policy

